

ASSEMBLY BILL

No. 1590

Introduced by Assembly Member Solorio

December 2, 2009

An act to repeal Sections 3884.1 and 3884.2 of the Food and Agricultural Code, relating to the Orange County Fair, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1590, as introduced, Solorio. Orange County Fair: sale of state property.

Existing law divides the state into agricultural districts within the boundaries of which agricultural associations may be formed. Existing law creates District 32a from real property commonly known as the Orange County Fair and authorizes the Department of General Services to sell all or any portion of the real property that composes District 32a.

This bill would repeal the provision creating District 32a out of the Orange County Fair property and would repeal the provision authorizing its sale by the department. This bill would also repeal the creation of the District 32a Disposition Fund in the State Treasury.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3884.1 of the Food and Agricultural Code
2 is repealed.

1 ~~3884.1. There is hereby created District 32a, which consists~~
2 ~~of all of that real property that is a portion of District 32 that is~~
3 ~~commonly known as the Orange County Fair located in the City~~
4 ~~of Costa Mesa. Notwithstanding any other law, any officer of~~
5 ~~District 32a may also be an officer of District 32 and shall be a~~
6 ~~resident of District 32. All otherwise applicable ethical duties,~~
7 ~~including those in Section 1090 of the Government Code,~~
8 ~~subdivision (a) of Section 8920 of the Government Code, and the~~
9 ~~Political Reform Act of 1974 (Title 9 (commencing with Section~~
10 ~~81000) of the Government Code), shall apply to the officers of~~
11 ~~both District 32 and District 32a, and shall apply in regard to the~~
12 ~~transactions contemplated by Section 3884.2.~~

13 SEC. 2. Section 3884.2 of the Food and Agricultural Code is
14 repealed.

15 ~~3884.2. (a) The District 32a Disposition Fund is hereby~~
16 ~~created in the State Treasury.~~

17 ~~(b) The Department of General Services may sell all or any~~
18 ~~portion of the real property that composes District 32a. District~~
19 ~~32a shall not enter into any contract, lease, or other agreement~~
20 ~~affecting the use or operation of the real property for a period that~~
21 ~~exceeds three months, and all of these contracts, leases, or other~~
22 ~~agreements shall contain a provision that they may be canceled~~
23 ~~upon a 30-day notice from the Department of General Services.~~
24 ~~The Department of General Services shall be reimbursed for any~~
25 ~~reasonable cost or expense incurred for the transactions described~~
26 ~~in this section. Additionally, to the extent bonds issued by the State~~
27 ~~Public Works Board or other entity involve the property to be sold~~
28 ~~pursuant to this section, all issuer and trustee related costs~~
29 ~~associated with the review of any proposed sale, together with the~~
30 ~~costs related to the defeasance or retirement of any bonds, which~~
31 ~~may include the cost of nationally recognized bond counsel, shall~~
32 ~~be paid from the proceeds of any sale or lease authorized by this~~
33 ~~section. The net proceeds from the sale shall be deposited into the~~
34 ~~District 32a Disposition Fund.~~

35 ~~(c) The sale of the real property authorized by this section shall~~
36 ~~be pursuant to a public bidding process designed to obtain the~~
37 ~~highest, most certain return for the state from a responsible bidder,~~
38 ~~and any transaction based on such a bidding process shall be~~
39 ~~deemed to be the fair market value for the property. A notice of~~
40 ~~this bidding process shall be posted by the Department of General~~

1 Services on its Internet Web site for at least 30 days prior to the
2 sale of the real property. The provisions of Section 11011.1 of the
3 Government Code are not applicable to the sale of real property
4 authorized under this section.

5 (d) Thirty days prior to executing a transaction for a sale of
6 real property authorized by this section, the Director of General
7 Services shall report to the chairs of the fiscal committees of the
8 Legislature all of the following:

9 (1) The financial terms of the transaction.

10 (2) A comparison of fair market value for the real property and
11 the terms listed in paragraph (1).

12 (3) Any basis for agreeing to terms and conditions other than
13 fair market value.

14 (e) As to the real property sold pursuant to this section, the
15 Director of General Services shall except and reserve to the state
16 all mineral deposits, as defined in Section 6407 of the Public
17 Resources Code, together with the right to prospect for, mine, and
18 remove the deposits. If, however, the Director of General Services
19 determines that there is little or no potential for mineral deposits,
20 the reservation may be without surface right of entry above a depth
21 of 500 feet, or the rights to prospect for, mine, and remove the
22 deposits shall be limited to those areas of the real property
23 conveyed that the director determines to be reasonably necessary
24 for the removal of the deposits.

25 (f) The Department of General Services shall report to the
26 Legislature on or before June 30 of each year on the status of the
27 sale of real property authorized by this section.

28 (g) Upon the sale of all property that composes District 32a,
29 District 32a shall be abolished and all funds in the District 32a
30 Disposition Fund shall be transferred to the General Fund.

31 (h) (1) The disposition of state real property or buildings
32 specified in subdivision (b) that are made on an "as is" basis shall
33 be exempt from Chapter 3 (commencing with Section 21100) to
34 Chapter 6 (commencing with Section 21165), inclusive, of Division
35 13 of the Public Resources Code. Upon title to the parcel vesting
36 in the purchaser or transferee of the property, the purchaser or
37 transferee shall be subject to any local governmental land use
38 entitlement approval requirements and to Chapter 3 (commencing
39 with Section 21100) to Chapter 6 (commencing with Section
40 21165), inclusive, of Division 13 of the Public Resources Code.

1 ~~(2) If the disposition of state real property or buildings specified~~
2 ~~in subdivision (b), is not made on an “as is” basis and close of~~
3 ~~escrow is contingent on the satisfaction of a local governmental~~
4 ~~land use entitlement approval requirement or compliance by the~~
5 ~~local government with Chapter 3 (commencing with Section 21100)~~
6 ~~to Chapter 6 (commencing with Section 21165), inclusive, of~~
7 ~~Division 13 of the Public Resources Code, the execution of the~~
8 ~~purchase and sale agreement or of the exchange agreement by all~~
9 ~~parties to the agreement shall be exempt from Chapter 3~~
10 ~~(commencing with Section 21100) to Chapter 6 (commencing with~~
11 ~~Section 21165), inclusive, of Division 13 of the Public Resources~~
12 ~~Code.~~

13 ~~(3) For the purposes of this subdivision, “disposition” means~~
14 ~~the sale, lease, or repurchase of state property or buildings specified~~
15 ~~in subdivision (b).~~

16 ~~(i) The disposition of real property or buildings, or both,~~
17 ~~pursuant to this section does not constitute a sale or other~~
18 ~~disposition of state surplus property within the meaning of Section~~
19 ~~9 of Article III of the California Constitution and shall not be~~
20 ~~subject to subdivision (g) of Section 11011 of the Government~~
21 ~~Code.~~

22 SEC. 3. This act is an urgency statute necessary for the
23 immediate preservation of the public peace, health, or safety within
24 the meaning of Article IV of the Constitution and shall go into
25 immediate effect. The facts constituting the necessity are:

26 Sections 1 and 2 of Chapter 20 of the Fourth Extraordinary
27 Session of the Statutes of 2009 created, and authorized the sale of,
28 District 32a, which consists of real property in Orange County
29 commonly known as the Orange County Fair. In order to avoid
30 the sale of the Orange County Fair, it is necessary that this act take
31 effect immediately.